

Today and Tomorrow

2014 Sustainable Development Report

PT Holcim Indonesia Tbk



Contents

02	Vision, Mission and Values
03	Message from the President Director
04	Today's challenges
06	The Sustainable Development Ambition 2030
07	Creating True Value
08	Setting achievable goals
10	Sustainability Enhanced Solutions - SEnSo
18	Climate
22	Resources
34	Community
37	Enterprise
40	Environment and Infrastructure
41	Education
46	Health, safety and human rights
51	Governance
56	Company Profile
60	GRI Content Index

Cover:

Sustainability is a long-range strategy

Holcim is celebrating 10 years since we commenced the Enterprise based vocational education (EVE) programme. We recruit local people, sometimes from less privileged backgrounds as a consistently successful method of raising educational standards and providing the company with a source of professional technicians.

Content Scope

This report covers Holcim Indonesia activities between January 1 and December 31, 2014 related to the company's pursuit of sustainable development targets. It is designed to be read as the sequel to the 2013 Sustainable Development report, and provides data in a format which can be easily compared year on year. The data and calculations used in this report are subject to the company's internal audit.

In line with the greater care and standardisation of global sustainability reporting, we have referred to the GRI - G4 reporting guidelines in the preparation of this report.

Scope of this report

This is the ninth successive Sustainable Development report, covers all our incorporated operations in Indonesia (see company chart on the page 57), excluding Malaysia, over the reporting period.

What do you think about our reporting? Holcim welcomes feedback from stakeholders on this report, and aims to provide clear and sufficient information to stakeholders.

If you wish to provide feedback on the content of this report or seek further information about the report or Holcim Indonesia, please contact:

Diah Sasanawati (Anna)
Corporate Communication Manager
Talavera Suite 15th Floor
Talavera Office Park
Jl. Letjen. TB Simatupang No.22 - 26
Jakarta 12430
Phone: (+62) 21 2986 1000
Fax: (+62) 21 2986 3333
Email: Diah.Sasanawati@holcim.com

Welcome to our 2014 Sustainable Development Report

Holcim Indonesia: a publicly listed company, part of the Swiss-based Holcim Group is one of the world's largest cement producers, a leader in building materials, delivering solutions based on innovative products. We place sustainable development at the core of our business strategy and hold a long term perspective for our business.

Our Vision

Building sustainable solutions for society's future.

Our Mission

Holcim Indonesia will grow by creating value for stakeholders through:

1. Delivering sustainable building solutions focused on distinctive customer segments
2. Caring for safety and the environment
3. The development of people, innovative leadership and integrated networks.

Our Values

Strength, Performance, Passion

Message from the President Director

Today and tomorrow

CEO Gary Schutz sets the scene on Holcim Indonesia and sustainable development.

The passage of time brings change, challenges and opportunities.



Indonesia's growth in population and consumer aspirations means greater urbanisation, the need for more places to live, to work, for entertainment, commerce and the vital infrastructure to connect it all. It also represents a severe test of available

resources – land and water, biodiversity and environmental quality, energy and most important, human capacity to create livelihoods, promote good health and decent living standards.

Holcim Indonesia is meeting these challenges. We are in the business of creating value for our customers and for all stakeholders, in many different ways:

- Devising innovative solutions - from new roads literally overnight, to vital harbours, bridges and affordable homes.
- Training skilled masons in efficient safe building standards, and supporting our distributor and retailer partners who know and understand the building trade

- Helping local communities to help themselves – from education to enterprise, from sanitation to health and safety.
- Our expertise is contributing to resource efficient buildings and the recovery of energy and utility from industrial waste.

These and other activities are encompassed in our Sustainable Development Ambition 2030. This report is an introduction to this important strategic long term initiative and an update on our progress today, in leading change and embracing opportunity.



Gary Schutz
President Director



Climate



Resources



Community



Today's challenges...

Cement is the world's most popular building material and a vital contributor to progress in urbanisation and infrastructure development. Every year, cement-based building materials from Holcim Indonesia are used in homes, schools, hospitals, roads and bridges, airports and seaports, malls and high-rise offices, power plants and mine sites, coastal and flood defenses.

As it produces these materials on demand and in large quantities, the cement industry is contributing to total global greenhouse gas emissions, or GHG. However while managing the impact of our own operations, there are also key external opportunities to mitigate future global warming. Studies on energy usage indicate that the daily operation of the world's buildings represent the largest energy-consuming sector in the economy, with over one-third of all energy and half of global electricity consumed there. As a result, they are also responsible for approximately one-third of global carbon emissions.*

By switching to energy efficient buildings, global warming rates could be substantially reduced. Holcim Indonesia has already created examples of low impact, energy efficient buildings in Indonesia. We have also pioneered overnight road paving repairs on toll and city highways to keep traffic moving and avoid the emissions from idling engines in long traffic queues.

These and other ideas we call Sustainability Enhanced Solutions - or SEnSo for short – featured in the pages of this report.

* Source: www.iea.org Technology Roadmap Energy efficient building envelopes

A selection of today's issues...

Urbanisation and overcrowding leading to greater risks of poverty and health issues

Traffic Jams, both a threat to air quality and a drain on productivity

Infrastructure inadequacy from power to transportation links hampering access to markets, resource development, mobility of labour and trade

Flooding, coastal surges and landslides which displace communities and take lives

Higher levels of **pollution** in air, land and water

Social gaps are widening. To escape the poverty trap requires education and skills.

Unsustainable, **informal building, deforestation** and **illegal land development**

...and some of our answers.

By taking a sustainable approach to every aspect of our operations we can and do play a role in effecting positive change toward economic progress, responsible resource management and social development.

...provides interesting, inclusive opportunities

	<ul style="list-style-type: none"> ▶ Combining our building materials, the Holcim Solusi Rumah network and the Holcim mason franchise together we build complete affordable homes. ▶ By mid 2015 our latest cement plant will provides us with 40 per cent more capacity to meet demand.
	<ul style="list-style-type: none"> ▶ Holcim SpeedCrete™ is a benchmark for fast and durable road repairs and new highway construction. ▶ We are also switching more of our product shipments to rail and sea modes.
	<ul style="list-style-type: none"> ▶ We provide not only building materials... but the expertise from over 70 countries in all aspects of infrastructure construction.
	<ul style="list-style-type: none"> ▶ We have customised solutions such as pervious concrete to aid rainfall dispersal and water harvesting. ▶ Our specialty cements provide fast setting in underwater marine environments.
	<ul style="list-style-type: none"> ▶ Our Geocycle unit is at the forefront of industrial and municipal waste eradication and recycling. ▶ Our CO₂ emissions are continuing to reduce per ton of cement.
	<ul style="list-style-type: none"> ▶ We provide a wide range of stakeholder community programmes to generate livelihoods, self-help and community welfare and education. ▶ We have trained over 20,000 masons.
	<ul style="list-style-type: none"> ▶ All our sites have biodiversity action plans, restorative greening activity at plants and quarry areas; ▶ We engage local communities on all land issues and have provided water, integrated farming and sustainable local food industry programmes to improve the lives of our neighbours.

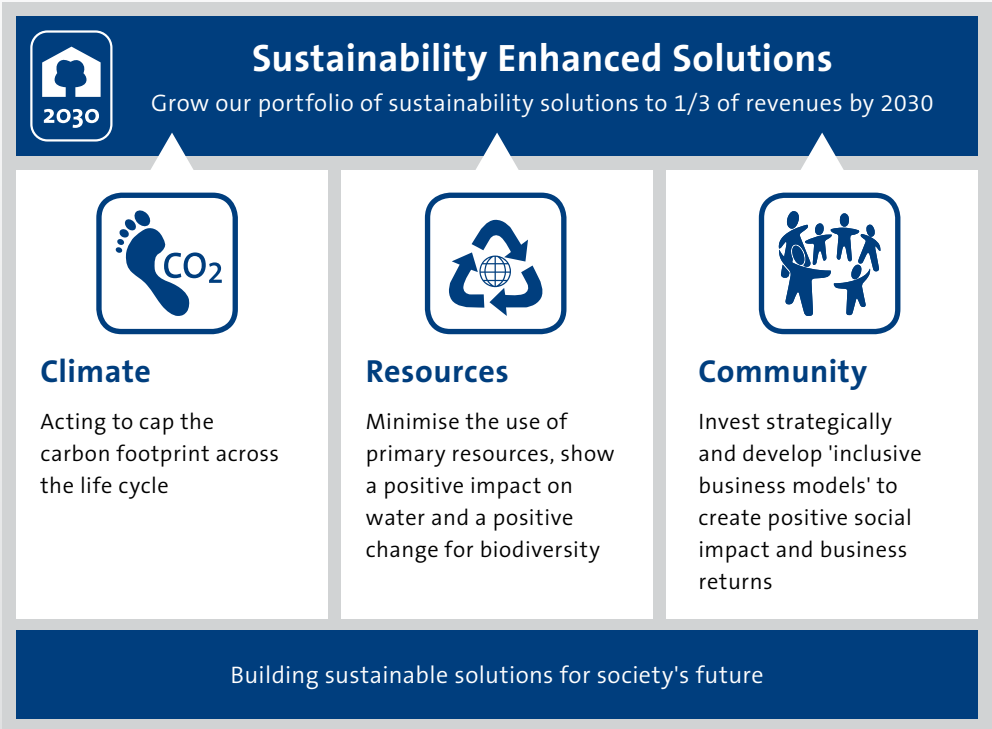
The Sustainable Development Ambition 2030

Aligned with our vision, and armed with the means to measure progress using True Value (see facing page), we aim to significantly increase the interest in and uptake of our innovative range of sustainability enhancing products and services. They offer proven sustainability in superior environmental and social performance in manufacturing and servicing our customer needs and will help us take advantage of a growing number of opportunities as Indonesia invests in much-needed infrastructure and natural resource development.

By 2030, we aspire to generate one-third of our revenue from our portfolio of sustainability-enhanced products and services.

The Sustainable Development Ambition 2030 includes a number of aspirations and targets to help address three focus areas: Climate, Resources and Communities.

Sustainable Development Ambition 2030



Creating True Value

A formal performance measure

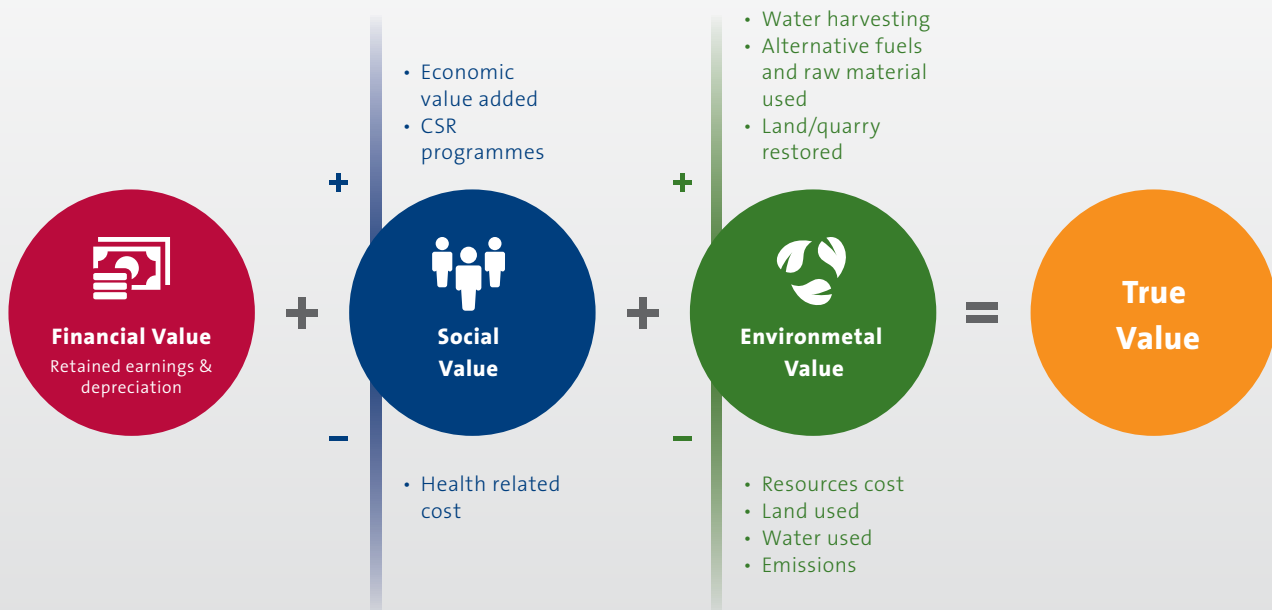
To meet our goal of 'value creation for all our stakeholders' we assess our performance across the triple bottom line:

- in economic terms for shareholder value, job creation and commercial benefit of our strategic partners
- in a responsible approach to the environment, to conserve and recycle resources and minimise our impact
- and not least, finding shared values with the communities around us.

Starting in 2015, as part of a global approach in all Holcim operations we are setting out to formally measure our performance using a metric known as True Value, by netting off the contributions and impacts of our operations to come to a more complete assessment.

How do we calculate True Value?

In simple terms we take our financial result, primarily retained earnings from doing business, to which we add economic value created through our CSR programmes, less any assessed health related costs as a consequence of our operations. We add the value of resources we have recovered, such as water harvested, or alternative fuels and raw materials used and any restored land, for example around our quarries. Then we deduct an assessment of the cost of resource, land, water used to produce cement. The result – as shown below is our True Value:



Setting achievable goals

2030 is a long time ahead, but it is also a clear indication of our intent towards a sustainable future for our business and its stakeholders. There are substantial issues that will require a series of progressive steps towards attainment. We have set the immediate targets for the year 2015 as integral to our business plans and this will serve as a useful report card for the future:

	Our challenge		Our commitment	
Key Focus Areas	Sustainability Performance Pillars	Addressing the issues and the context	2030 Targets: The Sustainable Development Ambition	2015 Targets: Initial stage
Sustainability Enhanced Solutions	Revenues	Long term growth based on sustainable solutions	Ultimate target: to generate 33% of our revenues from sustainable solutions	7% of our revenues from sustainable solutions
Climate	Carbon emissions	Global CO ₂ emissions will increase by 20% and temperatures will rise by 2°C by 2035	Reduce our CO ₂ generation by 45% on 1990 levels	CO ₂ target of 623kg/t cement CO ₂ generation has reduced by 20% over the past decade
Resources	Resources	If we continue to consume at developed country levels we'll need 3 to 4 planets worth of natural resources	50% TSR (thermal substitution) using alternatives to fossil fuels	12% TSR
	Water	By 2030 global water demand will outstrip supply by 40%	To reduce our fresh water consumption by 20%	We will define our water footprint
	Biodiversity	Natural species extinction is projected to increase 10 fold this century	To improve our biodiversity condition in 2030 to be better than in 2020 using measurable data (BIRS)	We have completed Biodiversity Action Plans for all sites and will establish our starting data for BIRS
Communities	People: inclusive business	UN estimates global population will rise from 7.2 billion today to 8.2 billion in 2030	To improve the lives of 6 million people in Indonesia	To ensure we spend 75% of our CSR resource on strategic projects for sustainable development vs. emergency support



The new 3.4 million tons per year plant at Tuban.

Sustainability Enhanced Solutions (SEnSo)



In addition to mitigating our own CO₂ emissions, we are focusing on products and solutions that through their use in buildings, in creating better infrastructure and facilitating greater mobility, will contribute to delivering CO₂ savings in their own right.

For the year ahead, in 2015 we aim to generate 7% of our revenues this way - through sustainability enhanced solutions, or **SEnSo**.





Sustainability Enhanced Solutions - SEnSo

We recorded a number of success stories in sustainable products and services in 2014. Jakarta, Indonesia’s capital city, faces unprecedented traffic congestion and severe seasonal disruption from flooding, which also damages road surfaces. The city authorities chose **Holcim SpeedCrete™** as an effective solution for both repair and new road projects.

► Problem



Solution



Community

- ▶ **Holcim ThruCrete™**, a pervious concrete, was used to address flood risks at Indonesia's second largest international airport, Juanda, Surabaya.



- ▶ **Aksi Membangun Bersama (AMB)** a tactical community-based programme, including civic restoration projects, educated 18,700 stakeholders in 17 cities on the optimal use of Holcim products, featuring our low CO₂ cement brand, Serba Guna.

- ▶ The **Holcim Solusi Rumah** network offers one stop solutions to home buyers through an extensive and unique franchise of 166 outlets – customers can design and specify the house, obtain an estimate for materials costs and arrange construction all in one place.





Holcim offers so much more than cement.

Customer Value

Scale: Our large and infrastructure projects team has decades of experience and specialised services for major foundations or structural assignments.

Quality: Our quality assurance mobile and mini labs are constantly visiting sites to assure technical specifications and correct application use, providing extensive knowledge and added value to the building trade and the end user customer.

Flexibility: We have both standard and Holcim MiniMix ready mixed concrete services – especially effective where access to a residential site is limited or where specific quantities of concrete are required on a tight schedule. Just contact our call centre: 0811 811 811 0.

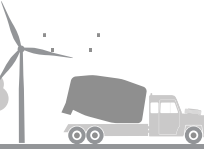


Developers of the latest phase at Pondok Indah South Jakarta chose Holcim Beton for expertise in massive concrete pouring for the site foundations.

Community

*Clockwise:
Holcim Mobile Lab,
Mini Mobile Lab,
MiniMix and
Ready-mixed trucks*





Our brand is backed by the knowledge and support of a network of distributors, retailers and masons. They ensure that throughout the supply chain that links us to our markets – our customers’ needs are met.

Our strategic partners

KLAB Holcim is a community of over 20,000 sustainability advocates. Every Holcim mason completing several training courses in the last five years, represents a unique breakthrough in providing safe, efficient construction services to as an alternative to the informal, wasteful building practices that predominated in the past.

Our retail network covers over 8,000 outlets offering Holcim products and added value from cement to precast items plus extensive knowledge and support. We keep in close contact with them, with incentives from sports events to overseas trips to reward good service and outstanding sales performance.



Community



Top: Mason training programmes build recognition of Holcim for quality and safety standards in small and medium construction activity. Below: Badminton competition for distributors.

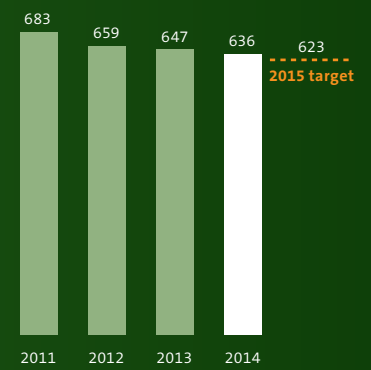


Climate

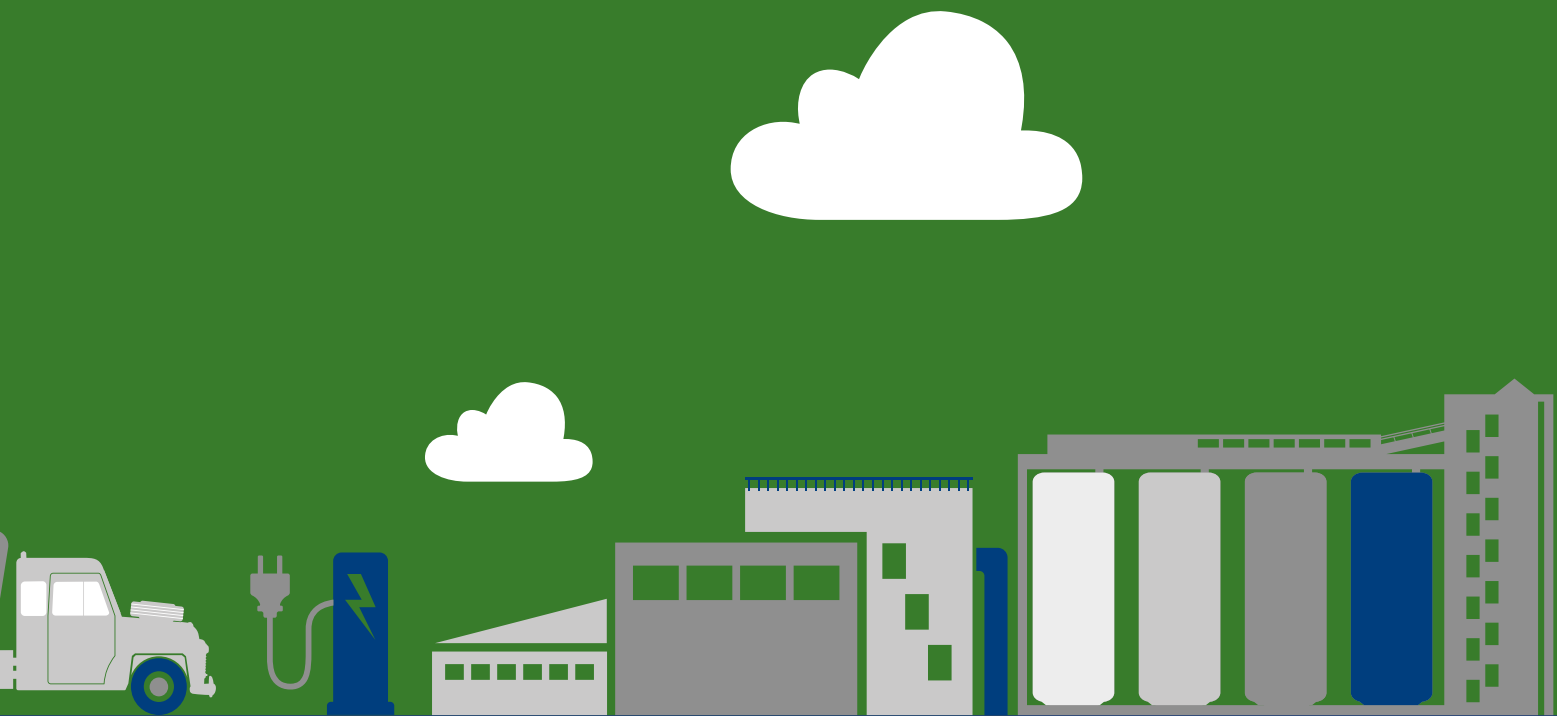
In 2014 we continued a number of effective programmes to mitigate CO₂ emissions, through energy efficiency, the use of alternative fuels and raw materials, and other measures, including greening around our plant operations.



Net CO₂ emissions
(kg CO₂/ton cementitious materials)



Our CO₂ emissions on a per ton basis have reduced by 7% since the end of 2011 and by 20% over the past decade.

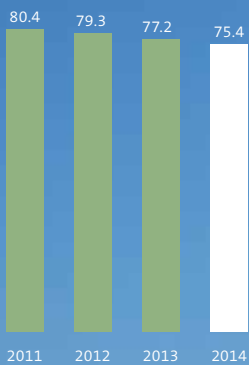




Our carbon footprint

Cement production increased 3.6% to 8.7 million tons, however we were able to reduce specific net CO₂ on a per ton basis, by 2% to 636kg in 2014. Our target for 2015 is a further 2% cut to 623 kg per ton of cement. On this basis, over the past five years, CO₂ emissions have been reduced by more 10% through improvements in clinker factor (the amount of clinker per ton of finished cement) and lower electricity usage. Absolute CO₂ emissions were 3% higher, given higher cement and clinker production in 2014, but also reflecting testing and commissioning activity at the new plant, prior to it becoming fully operational. Greening of all plant sites and quarry areas continued during the year with the planting of over 15,000 trees. All our sites have biodiversity action plans.

Clinker factor
(average % clinker in cement)

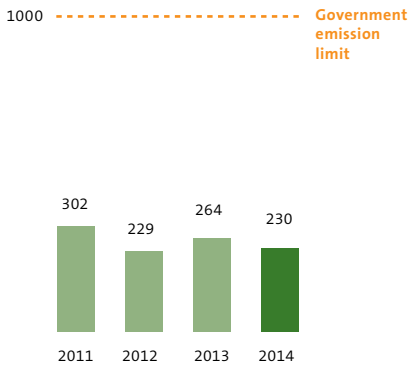


Other environmental impacts

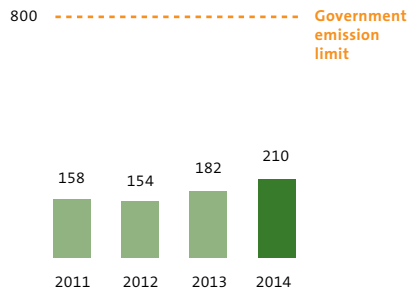
Emissions are monitored daily to ensure the Indonesian Ministry of Environment requirements are met. All our sites are subjected annually to the Government’s PROPER assessment (for environmental and social responsibility) and we have set consistently high standards. In 2014 we achieved 13% reduction

in nitrogen oxide (NO_x). The levels of sulfur dioxide (SO₂) showed 15% increase over the previous year and dust levels also increased by 17% (in mg/Nm³). Stack emissions, dust and exhaust fumes from heavy mining equipment are monitored. Settling ponds in quarries and water sprays are used to control dust levels. Noise and vibration levels are also monitored and comply with local standards.

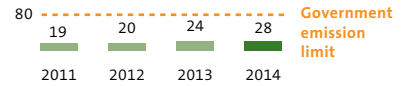
NO_x emissions
(mg/Nm³)



SO₂ emissions
(mg/Nm³)



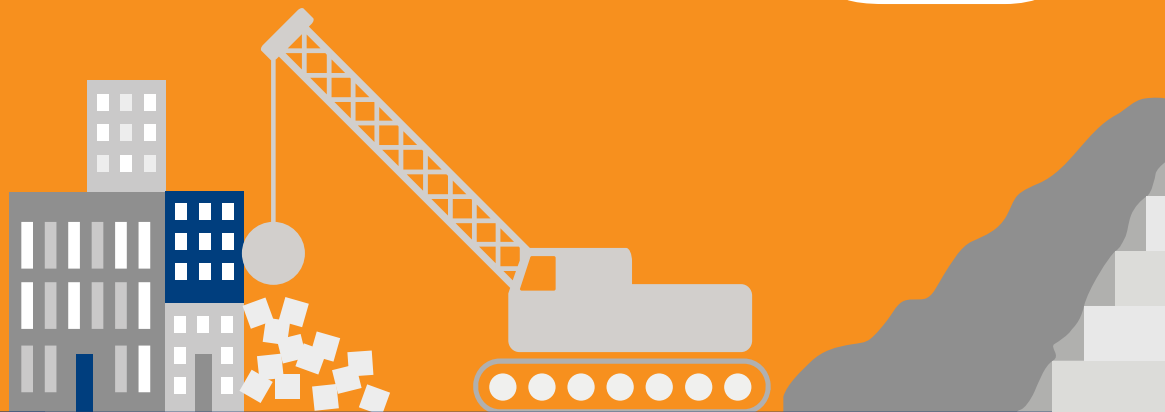
Dust emissions
(mg/Nm³)



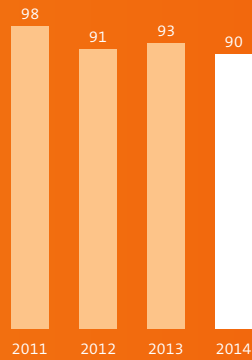
Holcim Cilacap plant received Gold PROPER evaluation for the fifth year in a row from the Environment Ministry.

Resources

We seek to maximise our use of resources, to be highly energy and materials efficient, to conserve water usage through careful management and show positive environmental change through our biodiversity action plans.

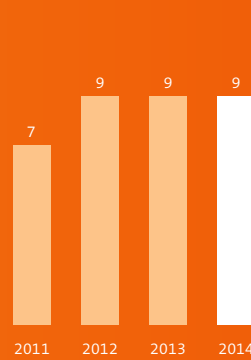


Power consumption
(kWh/t cement)



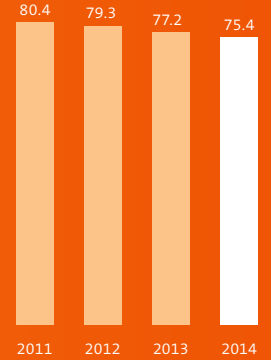
In 2014 we made savings in power consumption on a per ton basis

Thermal Substitution Rate
(%)



We have room for further use of alternative fuels to increase our thermal substitution rate...

Clinker factor
(average % clinker in cement)



... but are progressing steadily in reducing clinker factor and hence conserving raw materials





Regular efficient overhauls ensures our kilns are operating as efficiently as possible in energy and throughput.

Below: Palletisers – this modern facility is time and energy efficient, as well as protecting product in transit.



‘Business as usual’ is no longer viable. Smart management of capital equipment, lean resource use and energy efficient logistics define the successful companies of the future.

Energy

In a year of rising electricity prices we achieved a 3% reduction in electricity consumption per ton of cement and controlled absolute usage in million kilowatt-hours, to an increase of less than 1%, year on year. While use of fossil fuels increased by 4.8%, we were able to expand alternative fuel sourced from our waste management operations by over 8% by volume. The use of alternatives, as indicated by a thermal substitution rate of 9%, demonstrates the potential for further reducing our reliance on coal and diesel in the future. We also achieved substantial savings in managing to increase our use of low calorific coal.



*Rail & sea container
- we increased
our use of rail and
sea shipments as
a more energy
efficient route to
market*





Regular checks in waste water treatment plant.



Water

Using a closed-system, water is consumed for general purposes, to manage emissions control on roads and in quarry areas and in concrete batching plants. Drawn from local rivers and groundwater sources in 2014 we reduced water consumption overall by 8%. We have sanitary and wastewater treatment facilities in place at all plants.

We have consistently provided support to local communities to improve access to water, better sanitation for health, and our tree planting programmes help groundwater retention. Our focus for 2015 is an accurate assessment across all sites of our operational water footprint, as a base for future resource management.

Biodiversity

Working closely with the International Union for Conservation of Nature (IUCN) using a number of habitat indicators and year on year reporting of improvements, all our main sites have biodiversity action plans.

Dilarang Memotong
Tanaman di Area
Reklamasi





Company wide – from Eco-Offices to manufacturing and product excellence, we seek to lead in responsible, sustainable practices.

Setting standards

We were able to achieve Singapore Environmental Council (SEC) accreditation of our Headquarters as an Eco Office, one of the first in Indonesia, through the conservation of energy and water, effective waste management and recycling. We plan to extend this programme to other offices in 2015. SEC has also given Green Label certification to Holcim Serba Guna cement, the first cement product in Indonesia to qualify for this internationally accepted standard, which takes a life cycle approach - from raw materials through manufacturing to the consumer, and later through responsible product disposal and recycling.



Serba Guna: a sustainable solution



Net CO ₂ emissions per ton of cement*	-2%
Power consumption per ton*	-3%
Waste fuels save use of coal for powering our kilns	9%
Recycled raw materials and mineral components reduce limestone consumption	25%

* year on year efficiency gain



ENERGY IS FINITE
FOR SUSTAINABILITY,
ONLY USE WHAT YOU NEED.

WHAT IF YOU HAD NO MEANS TO LIGHT UP THIS ROOM ONE DAY?

POWER IS FINITE
FOR SUSTAINABILITY,
ONLY USE WHAT YOU NEED.



WHAT IF YOU HAD NO COFFEE?

WATER IS FINITE
FOR SUSTAINABILITY,
ONLY USE WHAT YOU NEED.



WHAT IF YOU ARE THE NEIGHBOR OF THE LAST TREE DEAD?

PAPER IS FINITE
FOR SUSTAINABILITY,
ONLY USE WHAT YOU NEED.



Holcim's Eco Office accreditation is one of the first in Indonesia.



Geocycle

We are leaders in providing complete waste management solutions suitable for mining, agriculture, heavy industrial and manufacturing sectors as well as providing local municipal waste solutions. In 2014 we expanded our reach across the entire country and extended the number of industry sectors to 325, that's a 25% increase over the last 24 months. Strong growth continued on site consulting services for customers. The value generated from increased waste handling and consulting services increased 184% on 2014.

GreenZone

Completed and fully operational towards the end of 2014, GreenZone is the largest waste management facility of its type in the region, capable of handling 160,000 tons of industrial and other forms of waste. This provides us with the capacity to handle very large assignments from multinational corporations, local companies and major government departments.

GreenZone: the largest waste management facility of its type in the region.



Community



Geocycle's new facility has the edge in being able to handle very large and diverse assignments, both in terms of equipment and expertise.





Making responsible waste management an inclusive business model.

Creating value

Top: Responsible recycling and value recovery, led by local women, at community waste banks.

Bottom: Handicrafts: creating value from used plastic packaging.

Center: Collecting waste from community.

Waste is a growing problem

Indonesia's population has doubled in the last 40 years. Java is home to about 145 million people, or almost 60% of all Indonesians, with a density of about 1,000 people per square kilometre. Sheer numbers coupled with rising disposable incomes is creating substantial waste year to year, particularly in Jakarta, now a conurbation of almost 30 million. Risks include disease and pests, emissions of methane from casual dumping and flooding exacerbated by accumulated garbage in manmade and natural drainage channels.

Community Waste Banks

Holcim as a pioneer in waste management in Indonesia has applied expertise to encourage community led waste solutions. A pilot of three specialist waste bank facilities, including machinery and training, has been set up since 2011, near the company's Narogong plant to educate the community on the 'recovered value' of waste for economic gain, as well as pride and civic responsibility. Strategic partners include Islamic Bank BMT providing microfinance and Bogor Regency Environment Office giving local government approvals.



Community

Some materials are made into handicraft items, such as bags and brooches. Shredded plastics are separated and sold; liquids and other solids are composted with organic waste are also sold. The residue is dispatched to Geocycle's GreenZone where it is processed as an alternative fuel. Over 2,800 tons has been processed in three years, 13,000 people sorting domestic waste at the household level, and 17 full time local workers employed. The level of direct economic value in the waste managed has consistently increased. The number attending waste skills workshops is on the increase at over 1,400 people in 2014 versus 1,100 a year earlier. By 2017 we plan to expand these facilities as profitable social institutions in themselves. The ultimate vision is the development of waste banks as learning centres so that many other communities can learn and benefit.

Good health can mean more wealth

Holcim's medical practitioners presented an interesting proposition when discussing healthy eating and the dangers of rancid cooking oil. It was an offer to community women to collect and redeem the oil for fresh supplies, rather than continuing usage or throwing it away to cause environmental issues. Unhealthy concentrations of bacteria, the risk of severe food poisoning or even heart disease await the unwary who use old cooking oil. The offer proved popular and since it first started in 2014, it has been extended to include spent motorcycle lubricants. Regular collections are now contributing to the consumption of alternative fuels at Narogong cement plant, while more local villages are applying to join what is proving to be a very resourceful scheme.

*Top & bottom:
Used cooking
oil collection is
another new
business.*



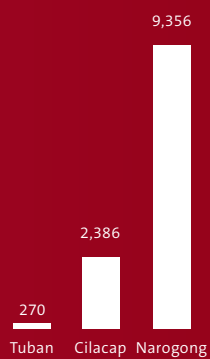
Community

The Communities around any Holcim operation are important stakeholders. They include many of our employees and their families, Holcim-trained Masons, as well as local partners in business.

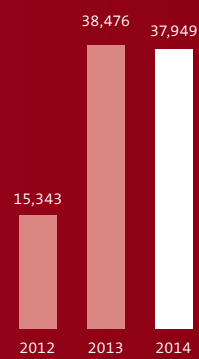
Our community relations and communications teams are busily engaged in creating opportunities for inclusive, shared value. Good programmes are ones that empower and inspire, whether in giving the less fortunate a better chance, empowering women or encouraging young entrepreneurs through microfinance. We support safety awareness, better health and education. Most of all we focus on self-help across a range of development issues as the best path toward better living standards for all.

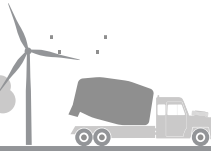


Total Microfinance Assets
(Rp million)



CSR Investment
(Rp million)





A regular Community Advisory Panel meeting – the core medium for understanding stakeholder needs

Engagement

Community Advisory Panels

Formal meetings were convened during 2014 at our main sites including Narogong, Cilacap, Tuban, Maloko and Jeladri while the same principles are followed for smaller operations, including concrete batching plants.

Local media

We reach out to local communities through a variety of different media – including video materials to aid understanding about safety, local radio and various publications, as a sound method to share progress. Publications are produced at all major sites in Bahasa Indonesia and occasionally Javanese – several times a year with circulation of over 10,000 copies.

Measuring our effectiveness

To assess our performance objectively we approach local communities using the same disciplines as used for business customers. A Satisfaction index measures sentiment and feedback and in 2014, Narogong stakeholder satisfaction reached 87.2% while at Cilacap our rating was 88%.

A 'Society NPS' (net promoter score) was introduced in 2014 to measure the broader impact of Holcim's presence, to include batching plants and quarry operations. Conducted at several points during the year an overall score of 35 was satisfactorily higher than the baseline. These scores, over time, constitute a good barometer on our effectiveness and progress toward SDA 2030 targets.



Community
Enterprise

Environment &
Infrastructure

Education

Health, Safety &
Human Rights

Enterprise

Integrated livestock farming

Around the Holcim Tuban plant, an integrated livestock rearing programme has proven highly successful, initially for cattle and later extended to chicken breeding. Holcim consulted with University of Gadjah Mada, cooperatives and local banks to develop the programme. Livestock sheds and a water tower were provided. As a sustainable programme, it has proven successful by generating attractive, regular levels of income for local families, a vehicle for education in livestock rearing which can be replicated locally and has been effective in preserving and enhancing biodiversity.

Eucalyptus oil production

Valued as a treatment for aches and pains, stomach upsets and the symptoms of flu and fever, eucalyptus oil (minyak kayu putih) is a popular traditional remedy. Holcim Indonesia has been the catalyst to turn large areas of Eucalyptus planted by the Government's forestry department into a sustainable local home industry in Kutawaru Cilacap. It has taken vision – six years ago Holcim facilitated the acquisition of land from the Government, and financed equipment and training. The farmers themselves were given technical training. The forestry department provided seeds and saplings for additional planting and agreed to purchase the product in final form. Over 800 farmers are now involved, with four harvests a year across a planted area of 200 hectares and 210,000 trees. Each farmer is able to take home an extra Rp 100,000 to Rp 150,000 per month – a useful earnings supplement from a scheme that preserves local biodiversity and coastal protection.





SEnSo

Climate

Resources

Resources

Usage of 112 fish 'apartments' and incubating equipment is helping to boost local fisheries to sustainable levels.





**Community
Enterprise**

Environment &
Infrastructure

Education

Health, Safety &
Human Rights

Sustainable fishing

A community brand and highrise fish apartments signal a fresh start

The fishing trade along the north shore of Java is under threat. Issues include unauthorised fishing boats operating in Indonesian waters, a lack of quota controls over local coastal fishing plus equipment and practices harmful to the marine environment. In addition, large-scale industry along the coast generates extensive seaborne traffic, while industrial pollution harms breeding grounds.

Holcim has engaged with local fishing communities for a number of years, as plans for the new Tuban plant and its marine facilities were being developed. Offers to provide training in alternatives such as agriculture, fell on deaf ears, as these folk had the sea in their veins. So, working closely with the Fishery Department of Tuban and Gadjah Mada University, clear objectives were set: to revive stocks using environmentally sustainable fishing techniques, to improve the catch per unit of effort and realise higher economic benefits for fisher families.

Successful installation of 112 fish 'apartments' and incubating equipment was completed, 800 modern eco friendly fishing nets put to use and proper collecting and storage systems provided. Holcim also supported the installation of processing and packaging of the new range of marine products under the 'Sari Laut' brand name, which has been marketed in nearby Tuban, for good returns.

Key milestones were passed: from Halal certification for human consumption, to the testing of fish and animal feed, from mentoring to help build efficiency and reliability in operations, to a proper structure for equitable distribution of the income generated by the new business. Perhaps the biggest challenge was to build cooperation across seven villages and Holcim social programmes on childcare, education, sanitation health and safety have been very effective towards this goal.

After several intensive years the rewards are now evident. A tradition in small boat fishing has been rejuvenated and with it the people involved. Women have a new purpose, using new skills. With improved, sustainable incomes, living standards are rising, education for children is more affordable and most of all a new sense of pride and purpose pervades the community.

Microfinance

Over a third of Indonesians do not have a bank account, let alone access to credit. Holcim microfinance supports over 6,500 businesses with a combined asset base of over Rp 10 billion. With our support, local entrepreneurs across a wide range of activities are able to maintain an independent living, creating jobs and facilitating local trade.



Environment and infrastructure

Green Posdaya

The name ‘Green Posdaya’, chosen by local people, is a reminder of the sustainability theme across a network of 20 Green Posdaya serving 6,000 inhabitants around Holcim Narogong plant. It is applicable in herb cultivation as much as in community based waste recycling, water treatment, and microfinance – eco-friendly projects that promote skills and resource management.

Practical projects

Given that 28 million Indonesians are still living below the poverty line, the opportunity to boost trade, mobility and incomes for many in outlying districts is marred by inadequate infrastructure. Holcim provides practical assistance in paving local roads to ensure year round access, despite seasonal rains. The sinking of wells, proper sanitation, repairs to mosques, schools and other projects are shared achievements with local communities participating in the construction process.





Community

Enterprise

Environment &
Infrastructure

Education

Health, Safety &
Human Rights



Education

We provided 1,491 scholarships for less privileged children ranging from elementary to senior high school age, living in communities around our three plant sites.

English for fun

The Holcim stone quarry near Maloko village lies in a remote rural area south west of the capital city, where much of the community manage a basic living from local agriculture or stone breaking. Finding a paying job is the priority here with little appreciation of the true value of further education as a means to escape the poverty trap. Few can or seek to go beyond senior high school grade, before looking for paid work.

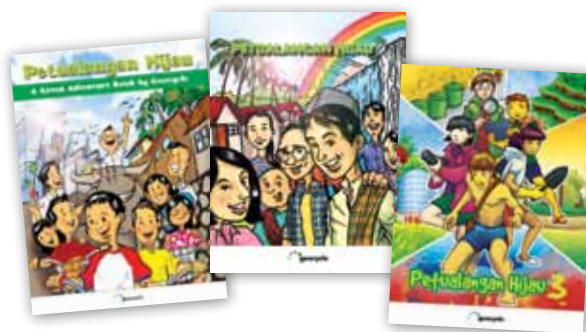
Over six years Holcim has been operating 'English for Fun' classes to contribute to higher educational standards and also to open young minds to a clearer understanding of the world outside. And who better to give them this introduction, than passing travellers who use social website couchsurfer.com to find room and board.

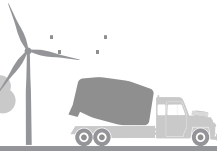
Testament to its popularity, the programme boasts a Facebook fan page - English for Fun for Community (Holcim Quarry Maloko) - which doubles as a place for children to practice their skills. A library has been set up, equipped with several computers. The course design concept focuses on games and fun activities as

a method for enhancing learning. It also serves as a good platform to engage the young community about the dangers of wandering around quarry production areas, which are private property. A number of the girls graduating from the course have found places at further education colleges and several have been able to secure jobs outside the area. Higher standards bring scholarship opportunities so that proud Mothers can see the benefits of a better education in the value it can bring in freedom from the burden of school fees.

Green Adventure

Several different comics have become big hits in local elementary schools. Published in many thousands by Holcim's waste management team Geocycle, the comic storylines encourage children to be more aware of the environment.





Vocational and graduate courses

Our Enterprise based vocational education (EVE) and Graduate Development programmes (GDP) have been running for 10 years and 9 years respectively. EVE has been a consistently successful method of raising educational standards locally, at the same time providing the company with a source of professional technicians. Among the 343 EVE students in training, 217 have graduated with 126 still studying. To date 174 have been invited to become Holcim employees. A total of 135 graduates have been through the GDP system, 102 of them hired as full time employees.





Community

Enterprise

Environment &
Infrastructure

Education

Health, Safety &
Human Rights





Empowering change through women

Although constituting 50% of the population, women represent a significant, unrealised force to help address poverty, contribute to better education and community health. Around Holcim operations, entrenched traditions often deny women the chance to make an independent contribution to improving living standards. However, Holcim is changing the paradigm.

As business operators

Holcim-supported Posdaya centres: 70 of them in total, have become a focal point where women can learn and participate in wide ranging programmes from fresh produce cultivation to home industry and retailing, covering food products and general merchandise.

Catering: In the village of Jeladri, two hours drive from Surabaya, 25 local women living near the Holcim aggregates quarry have discovered a new purpose. With seed capital of just Rp 4 million and guidance from our community relations officers, they set up a catering business, renting out cooking equipment. Signage was created, classes held on administration and marketing and the Melati Group was ready. Revenues from each rental are modest, at about Rp 250,000 but with weddings, events and prayer gatherings a regular part of life in the area the women are now productive and have grown in stature.

Horticulture: 280 families at Kuripan Kidul, near Cilacap are producing organic fertilisers, ornamental plants and herbs for cooking and medicinal use. In 2014 orders for their produce came from as far away as Papua.





Community

Enterprise

Environment &
Infrastructure

Education

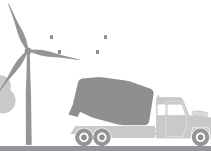
Health, Safety &
Human Rights

As teachers

Long distances to school, poorly maintained classrooms and a lack of teachers are the realities facing many young children. Working with IKK-IPB (Consumer and Family Science – Bogor University of Agriculture) and the Education Division of Bogor Regency, Holcim has come up with a solution – to train 42 mothers to become teachers, giving the women of the villages of Klapanunggal, Nambo, Bantarjati, Kembang Kuning and Lulut a chance to play a responsible and leading role in primary education, giving these youngsters the right start.

As Indonesia focuses on human capacity and the need for a ‘mental revolution’ these women are no longer an overlooked opportunity but a force for self-perpetuating change at grassroots level.





Health, safety and human rights

Zero Harm

Occupational Health and Safety (OH&S) is in every sense a vital part of our entire approach to sustainable construction and building materials, climate, resource management and community activities.

We maintain a commitment to zero harm as first above all priorities and performance targets. At all levels within our organisation, employees are expected to carry out regular safety observation tours, inspections and audits. Every employee and contractor is responsible for his or her own health and safety, for knowing and following OH&S rules and procedures, and for being attentive to the health and safety of others.

- Health and safety is a priority in all communities – we want everyone to come home safely
- Health and Safety is a resource in itself: woven into the culture and the career performance of every employee, and top of mind with all our contractors and business partners;
- Safety lies at the heart of our own operations and is an essential part of our approach to the solutions and services we offer to our customers.

OH&S Results 2014

In 2014 we were pleased to report safe working hours among our employees increased to 3.5 million hours compared to 2.78 million hours the year before. We set ourselves more rigorous safety targets: a reduction in lost time injuries frequency rate from 0.7 to 0.5 and a reduction in lost time injuries - severity rate from 3.5 to 3.0, but these were not achieved. Our actual results were 0.57 and 4.7 respectively. At the Tuban project a total of 17.3 million hours without a serious injury was another milestone. Total safety training hours increased from 25,057 hours to 33,424 hours, involving 2,813 participants. We bettered our targets for lost time injuries in respect of contractors, however, with regret we report one fatality, the incident was investigated thoroughly, the root cause identified and further preventative measures taken. Safety refreshment training sessions were attended by a total of 4,475 employees and contractors in 2014.





Community
Enterprise

Environment &
Infrastructure

Education

Health, Safety &
Human Rights

Promoting safety awareness is an essential part of every day. There are no contradictions between safety, efficiency and productivity.

September 2014, proved to be an extraordinary month on the importance of health and safety at Holcim Indonesia. A total of sixteen formal sessions in nine different company locations were held, attended by 4,475 employees and contractors - a new record for reinforcing our commitment to health and safety at work.

The central objective was to ensure all participants were aware of the risks of working at height, of the importance of road safety and to immobilise all equipment correctly when conducting maintenance.





A major cause of death and injuries on Indonesia roads is fatigue.



As part of Holcim's commitment to eradicating driver fatigue among third party contractors, all contractor drivers are tested for tiredness and vehicles are examined and permits checked. Each facility has a rest area and sufficient room for several trucks.





Community

Enterprise

Environment & Infrastructure

Education

Health, Safety & Human Rights

Road safety

Safe driving and awareness of road safety remain constant challenges. Driver training programmes continued for road transporter-contractors across our widening distribution network, for ready mix truck drivers and for Geocycle's hazardous waste transporters. We have published Driver Safety Handbooks. Regular fatigue checks on drivers continued at all plants with 77,000 checks done throughout the year.

Health

Regular medical checkups are available for all employees on a voluntary basis, with 88.5% coverage in 2014, up from 82.1% a year earlier, while average days of absence for health reasons stayed constant

at 1.8 per employee. There were no new cases of work related diseases. Our team of medical practitioners continued to visit all local villages at our plant sites to provide advice and information on health matters.

Human Rights

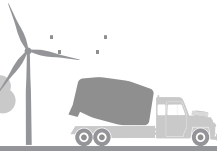
The Tomorrow's Values Rating 2014 report in which Holcim contributed on a global basis, is an assessment of companies ability to operate sustainably for future business value. Holcim's CSR team in Indonesia participated in a self-assessment exercise contacting community leaders and local government representatives for their opinions and views about Holcim and human rights management. Holcim was voted second out of 45 leading companies in the report. For a copy of the report please visit: www.dnvgl.com



Quarry boundaries are a regular temptation and become a safety risk.



Villagers from nearby communities stray into mining areas when looking for fresh grass for their livestock. Holcim community and security teams are active to educate them of the dangers, and to ensure all perimeters are properly signposted.



SEnSo

Climate

Resources



Employee engagement: Sport & Music fiesta in Narogong plant.



Governance

Business ethics and compliance

At Holcim Indonesia we differentiate ourselves through the development of sound business ethics and good governance, ensuring we comply entirely with prevailing public company regulations, legal requirements, local and international accounting and safety standards, local labour and environmental laws. Our annual report provides a full account of our approach to corporate governance and compliance including the work of the independent audit committee and independent board members.

Values

Holcim employees are proud ambassadors of sustainable development, as a key strategy to distinguish us in our markets. Our corporate values of strength, performance and passion form an excellent guide to the people who work for the company. We promise to be a solid partner, to deliver on our promises and to provide the best solutions for our customers while caring about everything we do.

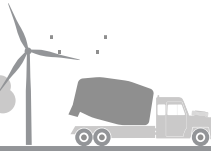
Commitments

We aim to be easy to do business with, to keep our promises and above all, to create value.

Behaviours

We identify six behaviours that celebrate our culture and shape our approach to stakeholder engagement:

- Integrity – standing firm on compliance, honouring codes on conduct, respecting local laws and ethics
- Customer Excellence – delivering the best solutions; building lasting relationships, delivering our promises
- Collaboration- finding common ground, working across boundaries and being accountable
- Achievement – Drive for Results – deliver on time with zero harm, plan assess priorities and be prepared to adapt
- Self development – take responsibility, give and seek feedback, learn and share knowledge
- Change/Inspirational Leadership – motivate and engage, be consistent and fair, be creative and share the vision



Our organisation and employees

In 2014 we made a number of key changes to our organisational structure to reflect changing market conditions, increasing competition, changing customer needs and as part of our ongoing efforts to streamline our operations to ensure we can operate more efficiently to preserve and build value. Central to these changes was the introduction of a new performance management system utilising the values and behaviours indicated above. Detailed performance reviews are conducted annually with clear targets set for each employee as well as guidelines on remuneration and rewards, based on achievement.

Employee climate surveys are undertaken and there is open and active dialogue maintained with company unions and their representatives, with a Collective Labour Agreement in place. Holcim is an equal opportunities employer. Through the use of display noticeboards, internal online access, regular company newsletters and bulletins all employees are made aware of pertinent information on the condition of the company, any changes in procedures, polies and guidelines applicable to normal business operations.

During the year employees were updated on the status of a planned global merger between Holcim and Lafarge.

Code of Conduct

A code of conduct booklet provides the framework for ethical and transparent interaction with all stakeholders and is available for all employees and business partners.

Stakeholder rights

All departments with external stakeholders maintain an open record on complaints and affirmative actions taken and this is reviewed, on a regular basis, at monthly meetings of the Board of Directors.

Holcim operates in full compliance with applicable laws and regulations regarding the use of its products and services.

A whistleblowing facility is in place, independently managed with all reports received in strict confidence and follow up action and information made available to whistleblowers.



Fair competition

We continued refresher training on our rules for fair competition, anti bribery and corruption, making this compulsory for all employees in areas of our business operations where there is a potential for risk. We are committed to open and transparent operations, value creation in a competitive market and compliance with Indonesia's regulations on restrictive practices, and fair competition.

Stakeholder engagement

We have a wide and expanding number of stakeholders and these include our employees, business partners - large or small - who use our products, collaborate with us and form part of our value chain. They also include home-builders, home owners, contractors, architects and engineers, developers, planners and ministries, financial institutions, investors and company shareholders, communities and local government, interest groups and the media.



Top: Anti-corruption training is held annually in several locations.

Chandra Hamzah, former deputy chairman of Indonesia's Corruption Eradication Commission was on hand to facilitate.



The Future: Sustainable Construction

The Holcim Awards

The Holcim Foundation selected Indonesia to host the Asia Pacific Region Holcim Awards on November 13th 2014. This prestigious event featuring a gala dinner, was the final leg of five regional ceremonies held in Moscow, Toronto, Medellin, Beirut and Jakarta during the second half of 2014.



Indonesia featured as a winner in the "Next Generation" category for a social design project on urban neighbourhood remediation in Bandung by University Parahyangan

architecture students, Antonius Richard Rusli (see facing page).

A huge entry of 423 from Indonesia in the Asia Pacific Holcim Awards has prompted a national competition. Six winners were chosen.





Main Category Gold went to a highly imaginative bird sanctuary project in Thailand.



Next Generation Indonesian winner: Social design project on urban neighbourhood remediation.



Company Profile

Company profile

PT Holcim Indonesia Tbk is the third largest cement producer by production capacity and market share in Indonesia. We are fully integrated with ready-mixed concrete and aggregates operations, and a unique and expanding retail franchise offering the most complete end-to-end solutions to home building: from building materials supply to design and speedy, safe construction.

Holcim Indonesia is owned by Holderfin B.V. 80.65 per cent and public 19.35 per cent of the authorised issued and paid-up shares quoted on the Indonesia Stock Exchange (IDX).

Holcim Indonesia is a member of the Indonesian Cement Association (ASI), IBCSD, GBCI and as part of the Holcim Group is a member of the World Business Council for Sustainable Development (WBCSD) and a founder member of the Cement Sustainability Initiative (CSI).

With 2,782 employees, Holcim Indonesia operates cement plants at Narogong, West Java, Cilacap, Central Java and Tuban, East Java; a cement grinding station in Ciwandan, Banten, and another in Johor Baru, Malaysia: giving a combined annual capacity of 11 million tons of finished cement. Under the control of Holcim Beton, a wholly-owned subsidiary, we operate some of the largest aggregates quarries in Indonesia, and a substantial downstream ready-mixed concrete supply network from Greater Jakarta to Surabaya in East Java.



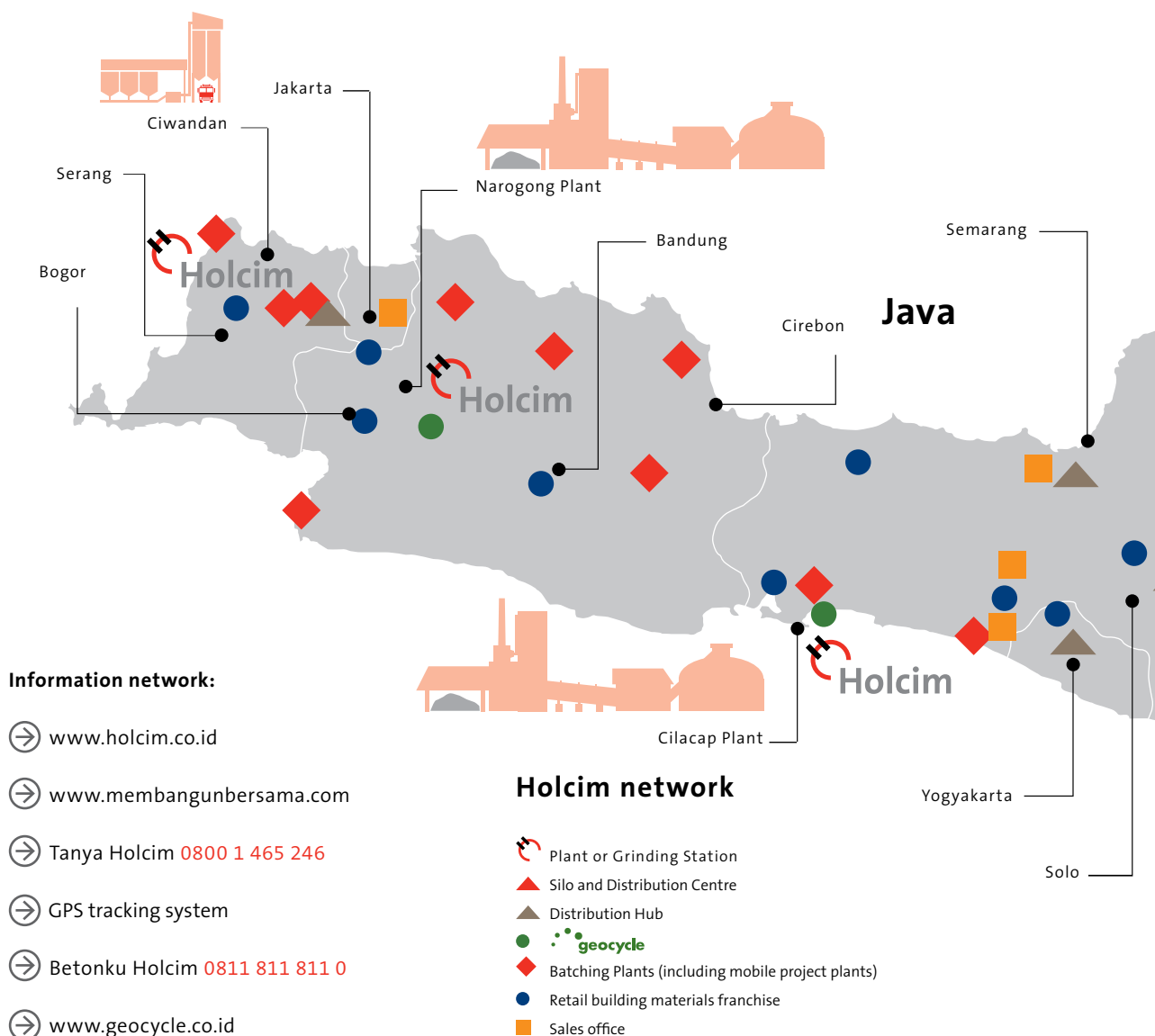
Company profile

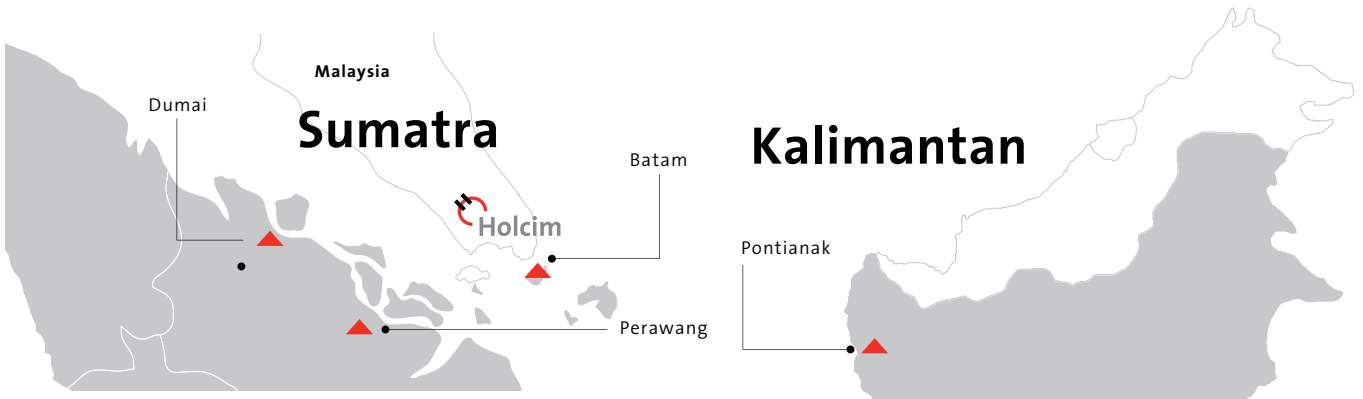
The Holcim Network

Our third cement plant near Tuban, along the northern corridor that links the rest of Java and Surabaya, completes the Holcim footprint in Indonesia's largest building materials market, Java.

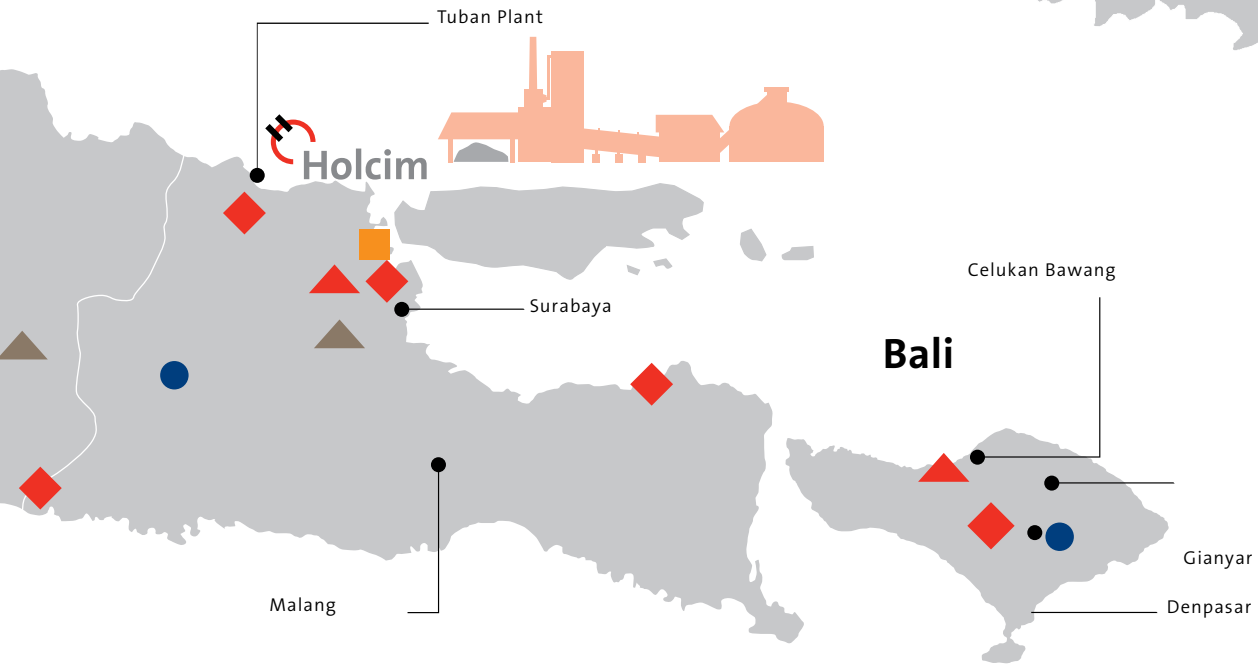
Our network includes about 8,000 retailers and 166 *Solusi Rumah* outlets. Holcim expertise and customer care is available through dedicated sales offices, building materials distribution centres and ready-mixed concrete batching plants - served by an expanding logistics matrix of supply depots and multiple transport methods. The Holcim information network is easily accessible via a dedicated call centre, on-line and our websites.

Geocycle, our waste solutions service, serves clients in all the major islands.





Not shown: A major new terminal is planned for 2015 in Lampung, in the south of Sumatra



GRI Content Index

NA: Not applicable

GRI	Disclosures	Pages
Strategy and Analysis		
G4-1	Statement from senior decision-makers about sustainability	3-8
G4-2	Key impacts, risks, and opportunities	3-8
Organisational Profile		
G4-3	Name of organisation	57
G4-4	Primary brands, products, and / or services	57-58
G4-5	Location of organisation's headquarters	1
G4-6	Countries of operation	57
G4-7	Nature of ownership and legal form	57
G4-8	Markets served including geographic breakdown, sectors served, and types of customers, beneficiaries	57-58
G4-9	Scale of organisation	57-58
G4-10	Employees by type and gender	
	- Gender	
	- Male	2,484
	- Female	298
	- Staff by type	
	- Permanent	2,691
	- Temporary	67
	- Expatriate	24
G4-11	Percentage of total employees covered by CLA	100%
G4-13	Significant changes during the reporting period regarding size, structure, or ownership	57
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	57
G4-16	Memberships in associations (such as industry associations) and/or national/international advocacy organisations	57
Identified Material Aspects and Boundaries		
G4-17	Any entity included in the organisation's consolidated financial statements	AR
G4-22	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	NA
G4-23	Significant changes from previous reporting periods in the scope, boundary, or methods contained in this report	NA
Stakeholder Engagement		
G4-24	List of stakeholder groups engaged by the organisation.	53
G4-25	Basis for identification and selection of stakeholders with whom to engage	AR
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	AR

GRI	Disclosures	Pages
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	AR
Report Profile		
G4-28	Reporting period for information provided	1
G4-29	Date of most recent previous report	1
G4-30	Reporting cycle	1
G4-31	Contact point for questions regarding the report or its contents	1
G4-32	GRI content index and "In accordance" option for the organisation	60
G4-33	Assurance	NA
Governance		
G4-34	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	AR
G4-38	Report the composition of the highest governance body and its committees	AR
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organisation's management and the reasons for this arrangement)	AR
G4-40	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	AR
G4-41	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	AR
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	AR
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics	AR
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Monthly
G4-48	Report the highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material Aspects are covered.	BOD
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	AR
G4-51	Report the remuneration policies for the highest governance body and senior executives	AR

GRI	Disclosures	Pages
G4-56	The organisation's values, principles, standards and norms of behavior	1
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organisational integrity, such as helplines or advice lines	52

GRI	Disclosures	Pages
	internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	

GRI	Disclosures	Pages	Explanation	2012	2013	2014
ECONOMIC						
Economic Performance						
G4-EC1	Economic value (Rp million)					
	Direct economic value generated					
	- Revenues			8,225	8,703	9,470
	Economic value distributed					
	- Operating costs			5,521	6,071	7,366
	- Employee wages and benefits			687	649	851
	- Payments to providers of capital			153	73	187
	- Payments to government			542	390	330
	- Community investment			20	33	42
	Economic value retained			1,302	1,486	693
G4-EC2	Financial implications and other risks and opportunities for the activities due to climate change.	18-21				
G4-EC3	Coverage of the company's defined benefit plan obligations.		Life insurance, health and accident insurance, medical care, disability/invalidity coverage, maternity leave, child care, pension plans, meals, transportation, uniform			
G4-EC4	Financial assistance received from government			0	0	0
Market Presence						
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage		Holcim's standard entry wage is across all locations and does not differ for men or women			
	- Head office				135%	143%
	- Narogong plant				185%	196%
	- Cilacap plant				455%	482%
	- Tuban plant				270%	287%
	- Overall Average				235%	277%

GRI	Disclosures	Pages	Explanation	2012	2013	2014
Indirect Economic Impacts						
G4-EC7	Development and impact of infrastructure investments and services supported (Rp million)					
	- Donations in kind			1,835	4,573	7,344
	- Education			2,391	17,897	11,899
	- Community development			9,290	2,765	6,482
	- Infrastructure community			1,827	1,331	326
	- Others				1,530	1,438
	- CSR overhead			11,855	10,380	10,460
	Total			15,343	38,476	37,949
G4-EC8	Significant indirect economic impacts	32-45				
Procurement Practices						
G4-EC9	Proportion of spending on local suppliers (Rp billion)					
	- Head Office			1,980	1,924	3,440
	- Narogong			285	353	581
	- Cilacap			286	349	640
	- Tuban			3	3	118
	Total			2,554	2,629	4,779
	Number of local suppliers by location					
	- Head Office			1,939	2,056	699
	- Narogong			191	214	82
	- Cilacap			224	225	79
	- Tuban			43	56	73
	Total			2,397	2,251	933
ENVIRONMENTAL						
Materials						
G4-EN1	Materials that are used to produce and package the primary products					
	Non-renewable materials used (million tons)					
	Raw material consumption					
	- Limestone			9.17	10.14	9.78
	- Clay			1.35	1.33	1.30
	- Silica sand			0.43	0.42	0.49
	- Iron sand			0.09	0.11	0.15
	- Gypsum			0.32	0.33	0.24
	- Dust			0.10	0.00	0.00
	- Packaging Materials - paper			0.024	0.015	0.023
	- Others			0.85	0.49	0.83
	Renewable materials used (million tons)					
	Raw material consumption					
	- Fly ash , Bottom Ash, Gypsum synthetic			0.189	0.391	0.483
	- Copper slag			0.086	0.120	0.026
	- Gypsum FGD					0.061

GRI	Disclosures	Pages	Explanation	2012	2013	2014
	Direct Materials (million tons)					
	Raw meal consumptions			10.088	10.037	10.236
G4-EN2	Total recycled input materials used/ input materials used (%)			2.7%	5.1%	5.0%
	Clinker factor (average % of clinker in cement)			79.3%	77.2%	75.4%
Energy						
G4-EN3	Energy consumption					
	Fuel consumption from non-renewable sources (TJ)					
	- Coal			19,301	18,971	19,829
	- Industrial Diesel Oil			129	110	163
	Fuel consumption from renewable fuel sources (TJ)					
	- Alternative biomass fuel			1,200	1,069	812
	- Alternative other fuel			744	904	980
	Electricity consumption (million Kwh)			738	786	792
	Heating consumption (TJ)			21,374	21,052	22,105
	Total energy consumption (TJ)					
	Energy consumption efficiency (TJ/ton cement)			0.00033	0.00033	0.00033
G4-EN5	Energy intensity ratio					
	- Heating consumption efficiency (MJoule/ton clinker)			3,340	3,307	3,335
	- Electricity consumption efficiency (Kwh/ton cement)			91.4	92.9	90.4
G4-EN6	Reduction of energy consumption (000 MJ)			(454,918)	(614,724)	(531,867)
Water						
G4-EN8	Total water withdrawal by source (000m³)		Holcim Water Directive Protocol is the standard followed			
	- Surface water, including water from wetlands, rivers, lakes, and oceans			445	341	541
	- Ground water			69	110	252
	- Rainwater collected directly and stored by the company			264	12	363
	- Municipal water supplies or other water utilities			189	458	417
	Water consumption (000m³)					
	- Cement			799	1,077	985
	- Aggregates (water withdrawal)			44	46	45
	- Ready-mix concrete			486	606	500
	Water consumption efficiency (l/t)					
	- Cement			99.5	127	118
	- Aggregates (water withdrawal)			20	11	20
	- Ready-mix concrete			382	138	129

GRI	Disclosures	Pages	Explanation	2012	2013	2014
G4-EN9	Water sources significantly affected by withdrawal of water					
	Volume of water recycled and reused (000m³)					
	- Cement plant			467	561	464
	- Aggregates			-	-	-
	- Ready-mixed concrete			NA	NA	60
G4-EN10	Percentage of volume of water recycled and reused to the total water withdrawal (%)					
	- Cement plant			58.5%	52.1%	45.9%
	- Aggregates			-	-	-
	- Ready-mixed concrete			21.8%	25.4%	12.0%
Biodiversity						
G4-EN11	Operational sites managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas		Up to 2014 there is only 1 location that classified as High biodiversity value, which is Nusakambangan Quarry, Cilacap Plant			
	- Geographic location		Nusakambangan E: 108.855 - 109.015 S: 7.645 - 7.690			
	- Subsurface and underground land		No			
	- Position in relation to the protected area or the high biodiversity value area outside protected areas		> 5 km to Nature Reserve of West & East Nusakambangan			
	- Type of operation		Extractive/Mining/Quarry area			
	- Size of operational site (ha)			94	112	112
	- Biodiversity value characterised by:					
	- The attribute of the protected area or high biodiversity value area outside the protected area (terrestrial, freshwater, or maritime ecosystem)		Terrestrial			
	- Listing of protected status (such as IUCN Protected Area Management Categories (67), Ramsar Convention (78), national legislation)		National Legislation			
	Sites in sensitive areas with Biodiversity Action Plans in place (%)					
	-Cement			100%	100%	100%
	-Aggregates			NA	NA	NA
	Approved mining plans by local authorities					
	-Cement			100%	100%	100%
	-Aggregates			100%	100%	100%
	Percentage of sites with quarry rehabilitation plans in place					
	-Cement			100%	100%	100%
	-Aggregates			100%	100%	100%
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		High biodiversity value areas only occur in Nusakambangan quarry. Other areas, whether directly or indirectly impacted are not high biodiversity value areas			

GRI	Disclosures	Pages	Explanation	2012	2013	2014
	Report the nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:		Impacts mainly arise from mining activity, which is closely monitored and all sites have biodiversity action plans			
	Report significant direct and indirect positive and negative impacts with reference to the following:		Our active mining area is less than 12% of Total mining concession. We dedicated approximately 65% from concession for conservation. Thus, we can minimise the negative impact on species and the extent of the area affected. We are committed to gradual and selective mining and post mining restoration.			
G4-EN13	Size and location of all habitat protected areas or restored areas		According to developed Biodiversity Action Plans (BAP) approximately 650 ha (65%) of the concession (IUP) dedicated as conservation area in NK IUP			
	Partnerships with third parties to protect or restore habitat areas		The initial biodiversity inventory study conducted by Fauna Flora International, while the implementation of BAP we are partnering with University (University of Jendral Soedirman, Gajah Mada University) and Local authority (BKSDA-Natural conservation Agency, LIPI - Indonesian Science Institute)			
	Standards, methodologies, and assumptions used.		Refers to High Conservation Value Forest method			
	Overall policy and approach to habitat protection and restoration		To protect areas chosen for biodiversity management			
	Tree planting		Planted at Narogong, Cilacap, Tuban, Ciwandan, Jeladri, Maloko	51,000	64,915	15,156
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk					
	- Critically endangered		Fauna: Javan Leopard (<i>Panthera pardus melas</i>), Flora: Pelahlar (<i>Dipterocarpus littoralis</i>), Cengal (<i>Hopea sangal</i>)	3	3	3
	- Endangered		Flora: <i>Lithocarpus platycarpus</i> , <i>Anisoptera costata</i> Korth; Fauna: Pangolin (<i>Manis javanica</i>), Fishing cat (<i>Prionailurus viverrinus</i>)	4	4	4
	- Vulnerable		Flora: 3 species; Fauna: 10 species	13	13	13
Emissions						
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)					
	- Absolute gross CO ₂ emissions (tons)			5,439,631	5,437,999	5,610,861
	- Absolute net CO ₂ emissions (tons)			5,380,486	5,364,028	5,530,653
	Aggregates CO ₂ emissions					
	- Absolute gross CO ₂ emissions (tons)			3,148	7,730	10,143
	Ready-mixed concrete CO ₂ emission					
	- Absolute gross CO ₂ emissions (tons)			10,910	17,086	-
	Report gases included in the calculation (whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all). :					
	- SO ₂ (mg/Nm ³)			154.5	182	210
	- SO ₂ (g/t cem)			236	297	341

GRI	Disclosures	Pages	Explanation	2012	2013	2014
	- NO _x (mg/Nm ³)			229.2	264	230
	- NO _x (g/t cem)			406	461	381
	- Dust (mg/Nm ³)			20.4	24	28
	- Dust (g/t cem)			35.1	38	46
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)					
	- CO ₂ emissions (indirect) from external power generation			700,489	582,389	644,331
G4-EN18	Greenhouse gas emissions intensity (direct and indirect)					
	- Specific gross CO ₂ emissions (kg CO ₂ /ton cementitious materials)			666	656	645
	- Specific net CO ₂ emissions (kg CO ₂ /ton cementitious materials)			659	647	636
G4-EN19	Reduction of greenhouse gas emissions - direct and indirect (tons)		Baseline calculation is year 2009	(440,593)	(544,508)	(666,238)
	CDM					
	- Carbon credits			124,195	-	-
	- Value (Euro)			35,296	-	-
G4-EN20	Emissions of ozone-depleting substances (ODS)		Not applicable, as cement plants do not generate any ODS emissions	NA	NA	NA
G4-EN21	NO_x, SO_x, and other significant air emissions		Continuous emissions monitoring takes place at all three kiln sites			
	SO ₂ (tons)			3,282	2,419	2,834
	NO _x (tons)			1,905	3,762	3,173
	Total Dust (tons)			284	310	379
	Implementation rate of continuous emission monitors (%)			100%	100%	100%
Effluents and Waste						
G4-EN22	Water discharge by quality and destination					
	- Destination		River			
	- Quality of the water including treatment method		Sanitary Waste Water Treatment, Waste Water Treatment, and Settling Pond			
	- Whether it was reused by another company		No			
G4-EN23	Total weight of waste by type and disposal method (tons)					
	- Non-Hazardous			1,643	21,907	3,026
	- Reuse				0	0
	- Recycling				3,529	1,567
	- Composting				1,837	687
	- Recovery, including energy recovery				25	267
	- Incineration (mass burn)				2	0
	- Landfill				16,173	476
	- Other				341	29
	- Hazardous			295	294	322
	- Reuse				0	0
	- Recycling				0	0
	- Composting				0	0

GRI	Disclosures	Pages	Explanation	2012	2013	2014
	- Recovery, including energy recovery				194	301
	- Incineration (mass burn)				130	0
	- Landfill				0	0
	- Other				15	21
G4-EN24	Total number and volume of significant spills			0	0	0
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention (2) Annex I, II, III, and VIII, and percentage of transported waste shipped internationally			None	None	None
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the company's discharges of water and runoff		None. No water bodies are designated protected areas, while most rivers in Java have low levels of biodiversity			
Products and Services						
G4-EN27	Extent of impact mitigation of environmental impacts of products and services		Cement is not categorised as a hazardous substance, the company already provides Material Safety Data Sheet (MSDS) and safe bag handling procedures are in place			
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category		Our products are 80% sold by the bag but we do not have a formal packaging reclaiming service. Despite this an informal recycling programme of cement bags using existing networks of rubbish collectors is underway in Java and we currently estimate that around 50% of our bags are reclaimed in this manner	NA	NA	NA
Compliance						
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations					
	- Total monetary value of significant fines			No fines	No fines	No fines
	- Cases brought through dispute resolution mechanisms			0	0	0
Transport						
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the company's operations, and transporting members of the workforce					
	- Transportation mix (%)					
	- Road			71%	70%	68%
	- Rail			7%	8%	11%
	- Waterway			22%	22%	21%
	- Logistics fleet			15,740	13,455	6,279
Overall						
G4-EN31	Environmental protection expenditures and investments					
	- Waste disposal, emissions treatment, and remediation costs (Rp million)				2,512	3,131
	- Prevention and environmental management costs (Rp million)			4,818	18,109	19,826

GRI	Disclosures	Pages	Explanation	2012	2013	2014
Supplier Environmental Assessment						
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken			None	None	None
Environmental Grievance Mechanisms						
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms			None	None	None
SOCIAL						
Labour Practices and Decent Work						
G4-LA1	Total number and rates of new employee hires and employee turnover					
	- New employee number by gender					
	- Male				210	83
	- Female				41	19
	- Total				251	102
	- New employee number by location					
	- Narogong			44	86	11
	- Cilacap			15	16	3
	- Tuban			55	65	20
	- Others			42	84	68
	- Total			156	251	102
	- Employee turn over					
	- Male			101	109	113
	- Female			14	16	21
	- Total			115	125	134
	- Employee turn over by locations					
	- Narogong			22	33	55
	- Cilacap			36	31	24
	- Others			57	61	55
	- Total			115	125	134
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees					
	- Full time employees		Life insurance, health care, disability and invalidity coverage, parental leave, retirement provision			
	- Temporary or part time employees		Health care			
G4-LA3	Return to work and retention rates after parental leave					
	- Male (2 days)			100%	100%	100%
	- Female			100%	100%	100%
Labour/ Management Relations						
G4-LA4	Minimum notice periods regarding operational changes (weeks)		This topic is specified in collective agreements	4	4	4

GRI	Disclosures	Pages	Explanation	2012	2013	2014
Occupational Health and Safety						
G4-LA5	Percentage of total workforce represented in formal joint management – worker health and safety committees that help monitor and advise on occupational health and safety programs			100%	100%	100%
G4-LA6	Safety data					
	- Full time employees LTI-FR YTD		HIL target < 0.5	0.19	0.18	0.57
	- Full time employees LTI-SR YTD		HIL target < 3.0	0.2	0.8	4.7
	- Contractors (on site) LTI-FR YTD		HIL target < 0.5		0.49	0.41
	- Contractors (on site) LTI-SR YTD		HIL target < 3.0		5.38	1.7
	Incidents: full time employees					
	- Fatalities			0	0	0
	- Permanent disabilities			0	0	0
	- Non permanent disabilities			19	1	5
	- Location: Inside plant			17	12	5
	- Location: Outside plant			2	1	0
	- Day lost			1	4	25
	- Safe working hours			2,972,761	2,780,425	3,459,121
	Incidents: contractors (incl Tuban)					
	- Fatalities			1	2	1
	- Permanent disabilities			0	1	0
	- Non permanent disabilities			148	5	6
	- Location: Inside plant			156	5	6
	- Location: Outside plant			5	0	0
	- Day lost			92	224	25
	- Safe working hours				2,484,305	1,344,947
	Formal safety courses					
	- Hours			11,839	25,057	33,424
	- Participant			705	3,832	2,813
	Driver fatigue test participants			54,387	59,462	77,753
	Individual Health Development Programme participants			169	218	490
	Medical check ups participants					
	- Employees			85.8%	82.1%	88.5%
	- Family member			16%	19%	23%
	Absentee rate			0.08	0.09	0.09
	Average number of sick day/employee			1.6	1.8	1.8
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation			57	75	12
G4-LA8	Health and safety topics covered in formal agreements with trade unions			Yes	Yes	Yes

GRI	Disclosures	Pages	Explanation	2012	2013	2014
Training and Education						
G4-LA9	Average hours of training per year per employee					
	- Gender					
	- Male			58	60	60
	- Female			56	60	60
	Average training hours / employee			60	60	48
	- Employee category					
	- Top & senior management levels (TML+SML)			3,835	4,457	2,207
	- Middle management levels (MML)			37,421	43,989	39,952
	- Other levels (FML+NML)			114,093	120,653	90,214
	- Total			155,349	169,099	132,373
G4-LA11	Percentage of employees receiving regular performance and career development reviews					
	- Male			100%	100%	100%
	- Female			100%	100%	100%
	Percentage of employee participants in Employee Satisfaction survey			100%	NA	87%
	Percentage of employee participants in e-Dialogue			50%	45%	100%
Diversity and Equal Opportunity						
G4-LA12	Composition of governance bodies (BOD)					
	- 30 - 50				7	10
	- >50				2	2
	Total staff					
	- Gender					
	- Male			2,413	2,513	2,484
	- Female			271	294	298
	- Age group					
	- Age <30			443	542	507
	- Age 30 - 50			2,033	2,074	2,075
	- Age >50			208	191	200
	- Staff by type					
	- Permanent			2,598	2,697	2,691
	- Temporary			61	86	67
	- Expatriate			25	24	24
	- Staff by significant location					
	- Cilacap			608	584	459
	- Narogong			983	1,019	940
	- Others			1,093	1,204	1,383
	% of female workforce					
	- Board and senior management			16%	4%	4%
	- Middle management			15%	5%	5%
	- Superintendent level			10%	18%	18%
	- Supervisors & officers			10%	28%	73%

GRI	Disclosures	Pages	Explanation	2012	2013	2014
Equal Remuneration for Women and Men						
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category		According to our data, female salaries and male salaries are the same at all levels			
Labour Practices Grievance Mechanisms						
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms				5	0
HUMAN RIGHTS						
Investment						
G4-HR1	Percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		All our standard contracts with suppliers contain clauses on human rights, OHS Standards, Labour Standards along with other social accountability		100%	100%
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations			0	88	2,782
Non-discrimination						
G4-HR3	Total number of incidents of discrimination and corrective actions taken			0	0	0
Freedom of Association and Collective Bargaining						
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk		We have a Human Rights Policy which specifically and clearly addresses all of these areas. Currently Holcim does not monitor the labour practices of our suppliers			
	- Company Operations Identified			0	0	0
	- Suppliers Identified			0	0	0
	Union representation			75%	74%	80%
Child Labour						
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor		We have a Human Rights Policy which specifically and clearly addresses all of these areas. Currently Holcim does not monitor the labour practices of our supplier			
	- Company Operations Identified			0	0	0
	- Suppliers Identified			0	0	0
Forced or Compulsory Labour						
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor		We have a Human Rights Policy which specifically and clearly addresses all of these areas. Currently Holcim does not monitor the labour practices of our supplier. No issue as a country risk	0	0	0
	- Company			0	0	0
	- Suppliers			0	0	0
Security Practices						
G4-HR7	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations			0	25%	100%
Indigenous Rights						
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken		Locations where Holcim operate do not violate local customary norms	0	0	0

GRI	Disclosures	Pages	Explanation	2012	2013	2014
Supplier Human Rights Assessment						
G4-HR11	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms			0	5	0
SOCIETY						
Local Communities						
G4-SO1	Number of operations with Comrel engagement					
	- Cement plant			3	3	3
	- Total cement plant			3	3	3
	- Quarry			2	2	3
	- Total quarry			2	2	3
	- RMX batching plant			17	28	25
	- Total RMX batching plant			30	29	29
Anti-corruption						
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified		Mostly licensing matters	100%	100%	100%
G4-SO4	Communication and training on anti-corruption policies and procedures					
	Total number and percentage of governance body members that the company's anti-corruption policies and procedures have been communicated to		Since 2012 initial face to face ABCD training has been conducted. The management have announced company standing on zero tolerance policy against corruption practices			
Public Policy						
G4-SO6	Total value of political contributions by country and recipient/beneficiary			None	None	None
Anti-competitive Behaviour						
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes		As a group operating worldwide, Holcim has a clear well-established policy on fair competition and, in line with the Group Mission statement, has issued a Fair Competition Directive and a mandatory training requirement for all employees engaged in conducting its business operations.	0	0	0
Compliance						
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations			0	0	0
PRODUCT RESPONSIBILITY						
Customer Health and Safety						
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement		We have a written policy governing customer health and safety. We conduct safety analysis for all appointed suppliers, educating everyone in the supply chain on proper care for safe working conditions. All Holcim trained masons have received information on how to use Holcim products safely.			
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle			0	0	0

GRI	Disclosures	Pages	Explanation	2012	2013	2014
Product and Service Labeling						
G4-PR3	Type of product and service information required by the company's procedures for product and service information and labeling, and percentage of significant products and service categories subject to such information requirements		We comply fully with regulations and government standards (SNI) on product information and labelling			
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling			0	0	0
G4-PR5	Results of surveys measuring customer satisfaction					
	- Customer Satisfaction Index					
	- Retailer			77	78	NA
	- Transformational			78	78	NA
	- Net Promotor Score					
	- Retailer			33%	41%	53%
	- Transformational			7.1%	15%	6%
Marketing Communications						
G4-PR6	Sale of banned or disputed products			0	0	0
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship			0	0	0
Customer Privacy						
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data			0	0	0
Compliance						
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services			0	0	0

Glossary of Terms

CAP, Community Advisory Panel

CPM, Concrete Product Manufacturer

EVE, Enterprise-based Vocational Education

GDP, Graduate Development Programme

GHG, Greenhouse gases, including CO₂ and CFCs

GRI, Global Reporting Initiative

IUCN, International Union for Conservation of Nature

LTI-FR, Lost Time Injury - Frequency Rate

LTI-SR, Lost Time Injury - Severity Rate

NPS, Net Promoter Score

OH&S, Occupational Health & Safety

RDC/CDC, Retail Distribution Center/
Contractor Distribution Center

RMX, Ready-Mixed Concrete

SR, Solusi Rumah

UNFCCC, United Nations Framework Convention on
Climate Change

WBCSD, World Business Council for Sustainable
Development



PT Holcim Indonesia Tbk.

Talavera Suite 15th Floor

Talavera Office Park

Jl. Letjen. TB Simatupang No.22 - 26

Jakarta 12430

www.holcim.co.id

Phone: (+62) 21 2986 1000

Fax: (+62) 21 2986 3333